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15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA
17 WESTERN DIVISION

18 DISNEY ENTERPRISES, INC., a) Case No. 13-CV-9401-RS WL
19 Delaware corporation,)
20 Plaintiff,) **PLAINTIFF DISNEY**
21 v.) **ENTERPRISES, INC.'S EX PARTE**
22 PHASE 4 FILMS, INC., a Canadian) **APPLICATION FOR ORDER TO**
23 corporation, PHASE 4 FILMS (USA)) **EXPEDITE DISCOVERY;**
24 LLC, a Delaware limited liability) **MEMORANDUM OF POINTS AND**
25 company, and Does 1-10,) **AUTHORITIES**
26)
27 Defendants.)
28)

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1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE THAT** Plaintiff Disney Enterprises, Inc. (“DEI”)
3 hereby applies to this Court, *ex parte*, pursuant to Local Rule 7-19 and the rules of
4 this Court, for an order expediting discovery with respect to narrow, targeted
5 subjects highly relevant to the claims of trademark infringement and false
6 advertising alleged by DEI against Defendants Phase 4 Films, Inc., Phase 4 Films
7 (USA) LLC (collectively, “Phase 4”), and Does 1-10 (with Phase 4, “Defendants”).

8 Good cause exists for granting this Application, the purpose of which is to
9 obtain discovery to support a motion for a preliminary injunction DEI intends to file
10 within the next thirty days. The requested discovery is limited to seven document
11 requests, attached as Appendix A, and one Rule 30(b)(6) deposition notice covering
12 five topics, attached as Appendix B.

13 The facts and the law supporting the issuance of an order granting the
14 requested relief are set forth fully in the attached memorandum of points and
15 authorities.

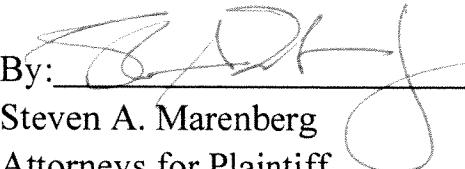
16 As set forth in the Declaration of Steven A. Marenberg filed in support of this
17 Application (“Marenberg Decl.”), the interests of justice require that this *Ex Parte*
18 Application be heard without notice to Defendants. Marenberg Decl., ¶ 8. The
19 name, address, and telephone number of counsel for Defendants is currently
20 unknown. It will take up to thirty days for DEI to learn the identity of such counsel,
21 at which time DEI would need to file its motion for preliminary injunctive relief
22 without the discovery requested herein in order to prevent further harm to it on
23 account of Defendants’ ongoing conduct. Concurrently with the filing of this
24 Application, DEI has endeavored to serve this Application and related papers on
25 Defendants, including by mail, through an agent for service of process, and by
26 electronic mail. Marenberg Decl., ¶ 9.

27 This Application is supported by the accompanying Memorandum of Points
28 and Authorities, the Declarations of Steven A. Marenberg, Josh B. Gordon

1 ("Gordon Decl."), and Greg Coleman ("Coleman Decl."), and accompanying
2 exhibits, the pleadings and papers on file in this action, other matters of which this
3 Court may take judicial notice, and any further evidence and argument that may be
4 presented at or before any hearing on this matter.

5
6 Dated: December 23, 2013

Respectfully submitted,

7 IRELL & MANELLA LLP
8
9 By: 
10 Steven A. Marenberg
11 Attorneys for Plaintiff
12 DISNEY ENTERPRISES, INC.
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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

In this *Ex Parte* Application, plaintiff Disney Enterprises, Inc. (“DEI”) seeks an order permitting it to serve and take limited, targeted, and expedited discovery in support of a motion for a preliminary injunction that DEI intends to file in the next few weeks. For the reasons set forth below, good cause exists for granting the Application. The need for expedited discovery and provisional relief arises in the following procedural and factual context:

9 This is an action brought under the Lanham Act by DEI, whose affiliate Walt
10 Disney Pictures released the animated motion picture, *FROZEN*, over the
11 Thanksgiving holiday to acclaim and success. For months prior to its premiere,
12 *FROZEN* was promoted for the theatrical market and on associated merchandise
13 with these distinctive trade logos:



25 DEI has sued defendants Phase 4 Films, Inc. and Phase 4 Films (USA) LLC
26 (collectively, “Phase 4”), the distributors of an animated motion picture originally
27 named “*The Legend of Sarila*” that was released theatrically, both overseas and in
28 the United States, using the following title logo:



The Legend of Sarila debuted in the United States in November 2013 without acclaim or box office success. Phase 4 thereafter changed the name of the film, in which "Sarila" refers to a mythical land of lushness, abundance, and beauty, to the misleading "*FROZEN LAND*." Moreover, Phase 4 changed the logo and artwork used to market the film to mimic the logos and artwork used by DEI and other Disney companies to promote *FROZEN*. DEI has alleged, with good cause, that Phase 4's activities are unlawful, including because they are likely to cause (indeed they already have caused) consumer confusion. That confusion is and will be particularly acute given the wide dissemination of DEI's *FROZEN* trademarks in the marketplace, including on consumer products such as toys and DVDs. Consumers are faced with trademarks that are nearly identical, as reflected in the photograph below:



As noted, in this Application DEI seeks leave to take limited, targeted, and expedited discovery to support a planned motion for a preliminary injunction that DEI intends to file within the next thirty days. The proposed expedited discovery

1 consists of seven document requests and a corporate deposition pursuant to FRCP
 2 30(b)(6) on five topics. That discovery is attached hereto as Appendixes A and B,
 3 respectively, and seeks documents and a Rule 30(b)(6) deposition regarding
 4 (i) Defendants' knowledge of *FROZEN* and the *FROZEN* marks before their
 5 decision to rename *The Legend of Sarila* "*FROZEN LAND*," and (ii) Defendants'
 6 intent to piggy-back off of DEI's significant marketing campaign and trademarks for
 7 *FROZEN* by changing the name of their film and by adopting as the artwork and
 8 logo for *FROZEN LAND* designs that are confusingly similar—indeed, virtually
 9 identical—to DEI's marks.

10 The discovery is highly probative of the matters that will be placed before the
 11 Court in DEI's request for provisional relief. In considering such an injunction, this
 12 Court will weigh the *Sleekcraft* factors that the Ninth Circuit uses to determine
 13 whether there exists a likelihood of confusion between two trademarks. *See AMF,*
 14 *Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348-49 (9th Cir. 1979). One of the *Sleekcraft*
 15 factors, and one that will be highly relevant here, is the accused infringer's intent in
 16 selecting the mark. *E.g., Warner Bros. Entertainment v. Global Asylum, Inc.*, No.
 17 12-CV-09547-PSG-CW, 2012 WL 6951315, *11 (C.D. Cal. Dec. 10, 2012) ("When
 18 a mark is adopted with 'the intent to deceive the public,' courts may presume that
 19 use of the mark will cause confusion.") (*citing Brookfield Commn's, Inc. v. West*
 20 *Coast Entertainment Corp.*, 174 F.3d 1036, 1059 (9th Cir. 1999)).

21 Intent to deceive the public weighs heavily in favor of the plaintiff in a
 22 *Sleekcraft* analysis. *Id.* at *14. DEI believes that a conclusion as to Phase 4's intent
 23 to deceive and trade off of DEI's efforts can be inferred from the circumstances—
 24 indeed it is the only reasonable inference. But Phase 4 may deny any such intent
 25 and attempt to posit some less culpable rationale for its conduct, and DEI ought to
 26 be able to counter that asserted rationale with the facts established through the
 27 requested discovery.

28

1 Furthermore, the proposed, expedited discovery and efficient preliminary
2 injunction proceedings, supported by the relevant facts at the outset, are necessary to
3 prevent the further harm to DEI and the public that will occur when *FROZEN* is
4 released on home entertainment formats in late February and mid-March 2014.
5 These long-planned release dates mean that there is not time to conduct discovery
6 on a standard schedule before that further harm occurs.

II. FACTUAL BACKGROUND

A. Disney's *FROZEN* and Distinctive *FROZEN* Trademarks

9 *FROZEN* is the latest feature-length animated motion picture released by
10 Disney, and is one of the most successful films of the year. *FROZEN* tells the story
11 of Anna, a young princess whose sister, the Snow Queen, freezes her kingdom;
12 Anna then journeys with her brave (but funny) companions to save her kingdom
13 from an eternal winter. Since its nationwide release on November 27, 2013,
14 Coleman Decl., ¶ 2, *FROZEN* has been exhibited in more than 3,700 theatres across
15 the United States and is reported to have generated cumulative box office receipts of
16 more than \$170 million. See <http://www.boxofficemojo.com>. The picture has also
17 received critical acclaim, including a 2014 Golden Globes nomination for best
18 animated feature of 2013. *FROZEN* is scheduled to be released nationwide in
19 digital download and video-on-demand formats on February 25, 2014 and in DVD
20 and Blu-ray formats on March 18, 2014. Coleman Decl., ¶¶ 3-4.

21 The distribution of *FROZEN* has been accompanied by a wide-ranging
22 marketing campaign. As part of that campaign, a distinctive logo for the “Frozen”
23 trademark was created to promote the picture (the “*FROZEN* Trademark Logo”).
24 The *FROZEN* trademark and the *FROZEN* Trademark Logo are as follows:



1 The *FROZEN* Trademark Logo is highly distinctive, including capital letters
2 with jagged, uneven edges, dramatic flourishes on the letters, and an elongated R
3 and Z that cradle the most prominent element—a stylized O that curves into itself
4 and does not close entirely. The *FROZEN* trademark and the *FROZEN* Trademark
5 Logo have been used and featured prominently on all marketing materials since June
6 2013.

7 In addition to the *FROZEN* Trademark Logo, Disney developed an additional
8 trademark used in promoting the film and for the licensing program pursuant to
9 which merchandise based on the characters, themes, and artwork of *FROZEN* was
10 designed, manufactured, promoted, distributed, and sold. That additional trademark
11 comprises the *FROZEN* Trademark Logo in white on top of a royal blue oval with a
12 pattern of flourishes and a floral design surrounding the perimeter of the oval in a
13 lighter shade of blue (the “*FROZEN* Blue Oval”). The flourishes and floral design
14 is a form of rosemaling, a decorative folk art believed to have originated in Norway
15 that Disney used to tie the trademark to the content of *FROZEN*, which takes place
16 in a mythical kingdom surrounded by mountains and fjords inspired, in part, by
17 Norway. The *FROZEN* Blue Oval has appeared on licensed merchandise and movie
18 tie-ins since September 2013 and is as follows:



26 The *FROZEN* Trademark Logo and *FROZEN* Blue Oval were widely made
27 available to Disney licensees in January 2013.
28

1 ***B. The Legend of Sarila***

2 The animated film *The Legend of Sarila* was produced in Canada by
 3 CarpeDiem Film & TV and 10th Ave Productions, Gordon Decl., Ex. 1 at 4, 7-8,
 4 and was directed and produced by Nancy Florence Savard. *Id.* at 8. The official
 5 press kit for the film describes it as “a ten year labour of love for Ms. Savard,” *id.*,
 6 after being introduced to the story by its writers, one of whom “had lived in the
 7 arctic for many years and fallen in love with Inuit culture.” *Id.* As described by its
 8 original Canadian producers, *The Legend of Sarila* tells “the story of a voyage of
 9 initiation in which three young Inuit go in search of Sarila, a promised land, hoping
 10 to save their clan from famine.” *Id.* at 2. “Sarila” is portrayed in the film as a
 11 mythical Garden-of-Eden of lushness, abundance and beauty.

12 *The Legend of Sarila* was released theatrically outside of the United States
 13 beginning in March 2013¹ using the following title logo:



18 ***C. Defendants' FROZEN LAND and Infringing Mark***

19 Phase 4 acquired the domestic distribution rights to *The Legend of Sarila* in or
 20 around June 2013² and released the film theatrically under that name in or around
 21 November 1, 2013.³

22
 23
 24
 25 ¹ See “The Legend of Sarila,” IMDB, available at
 26 http://www.imdb.com/title/tt2296935/?ref_=fn_al_tt_1

27 ² See “Phase 4 Takes U.S. on ‘Sarila’ (EXCLUSIVE),” VARIETY, available at
 28 <http://variety.com/2013/film/news/phase-4-takes-u-s-on-sarila-exclusive-1200495142/>.

1 However, *after* DEI had started promoting *FROZEN*, including through the
 2 use of the *FROZEN* Trademark Logo and *FROZEN* Blue Oval, and *after* releasing
 3 *The Legend of Sarila* theatrically using the film's original name and logo, Phase 4
 4 renamed its film *FROZEN LAND* for its November 5, 2013 home video release in
 5 the United States⁴—a date three weeks before the nationwide theatrical release of
 6 *FROZEN* and months into DEI's marketing campaign.

7 Despite the infinite options available to it, Phase 4 created packaging and a
 8 logo for the new title *FROZEN LAND*:



9
 10
 11
 12
 13 The similarities between the foregoing logo and the *FROZEN* Trademark
 14 Logo are striking. As does the *FROZEN* Trademark Logo, the *FROZEN LAND*
 15 lettering also includes jagged, uneven edges, dramatic flourishes on the letters, and
 16 an elongated R and Z that cradle a stylized O that curves into itself and does not
 17 close entirely. In addition, the word "frozen" is significantly larger than the word
 18 "land." The DVD for *FROZEN LAND* and the spine of the DVD case each bear the
 19 stylized *FROZEN LAND* lettering as depicted above without the blue oval
 20 background. Gordon Decl., ¶ 3.
 21
 22
 23

24 ³ See "The Legend of Sarila: Film Review," THE HOLLYWOOD REPORTER,
 25 available at <http://www.hollywoodreporter.com/review/legend-sarila-film-review-652739>; see also www.thelegendofsarila.com.

26
 27 ⁴ See "Frozen Land," PHASE 4 FILMS, available at
 28 <http://phase4films.com/detail.aspx?projectId=5d579154-42ea-e211-8257-d4ae527c3b65>

1 Not satisfied with mimicking the *FROZEN* Trademark Logo, Defendants
 2 mimicked the *FROZEN* Blue Oval by placing the stylized lettering in white on a
 3 royal blue oval that, in addition to the title, includes decorative flourishes and floral
 4 designs surrounding the perimeter in a lighter shade of blue—flourishes and floral
 5 designs that are strikingly similar to the rosemaling used in the *FROZEN* Blue Oval.
 6 The following depicts the nearly identical ovals:



12
 13 Defendants' design choices obviously reflect their intent to piggy-back off of
 14 DEI's trademarks and confuse consumers as to the origin of Defendants' film. For
 15 example, Defendants adopted the title and marks employed by DEI for Disney's
 16 story of a kingdom thrust into eternal winter, *i.e.*, "frozen," despite the fact that the
 17 storyline of *FROZEN LAND/The Legend of Sarila* is about Inuits seeking to *escape*
 18 an arctic that is *not frozen enough* to a warm and verdant land of plenty. In addition,
 19 the use of rosemaling—which is evocative of Norwegian folk art—has no relevance
 20 to a story of Inuits traveling through the arctic. In fact, *The Legend of Sarila* was
 21 originally promoted using symbols and imagery more evocative of Inuit culture.
 22 *See, e.g.* Gordon Decl., Ex. 1.

23 Indeed, there is only one possible inference that can be drawn from the
 24 foregoing facts: Defendants intentionally changed the title of their animated film
 25 from *The Legend of Sarila* to *FROZEN LAND* and intentionally changed the
 26 artwork, logo, and packaging for *FROZEN LAND* to profit from DEI's labor and
 27 goodwill in producing and promoting *FROZEN* in order to deceive the public.
 28

1 Further evidence regarding that conduct and that intent is what DEI seeks through
 2 this Application.

3 **III. LEGAL STANDARD**

4 A district court may permit expedited discovery upon a showing of good
 5 cause. *E.g., Semitool, Inc. v. Tokyo Electron America, Inc.*, 208 F.R.D. 273, 275-76
 6 (N.D. Cal. 2002); *see also Malibu Media LLC v. John Does 1 through 7*, 2012 WL
 7 2872842, *2 (E.D. Cal. July 11, 2012) (“Courts in the Ninth Circuit apply a ‘good
 8 cause’ test in deciding whether to permit expedited discovery before the Rule 26(f)
 9 conference.”). Good cause exists “where the need for expedited discovery, in
 10 consideration of the administration of justice, outweighs the prejudice to the
 11 responding party.” *Semitool*, 208 F.R.D. at 276. The Court must make this
 12 determination “on the entirety of the record to date and the reasonableness of the
 13 request in light of all the surrounding circumstances.” *Id.* at 275. Courts have
 14 recognized that “good cause is frequently found in cases involving claims of
 15 infringement and unfair competition.” *Id.* at 276.

16 **IV. ARGUMENT**

17 Good cause exists for the expedited discovery requested by DEI because, on
 18 the entirety of the record to date and in light of all of the surrounding circumstances,
 19 “the need for expedited discovery, in consideration of the administration of justice,
 20 outweighs the prejudice to” Defendants. *Semitool*, 208 F.R.D. at 276. Specifically,
 21 considering the record to date, which shows blatant ongoing infringement of DEI’s
 22 *FROZEN* marks by Defendants, the reasonable, targeted discovery requested will
 23 help prevent additional harm and move this case forward—and likely to a
 24 conclusion—quickly and efficiently.

25 First, DEI’s requested discovery is directly relevant to the injunctive relief
 26 that DEI will soon seek. In evaluating DEI’s request for injunctive relief, this Court
 27 will consider each of the eight *Sleekcraft* factors: “(1) strength of the mark; (2)
 28 proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion;

1 (5) marketing channels used; (6) type of goods and the degree of care likely to be
 2 exercised by the purchaser; (7) defendant's intent in selecting the mark; and
 3 (8) likelihood of expansion of the product lines." *Sleekcraft*, 599 F.2d at 348-49.

4 DEI requests the documents and testimony necessary to present to this Court
 5 clear evidence relating to the application of the *Sleekcraft* factors. Good cause
 6 exists for this discovery because it seeks "core documents [and testimony] central to
 7 the underlying case." *Semitool*, 208 F.R.D. at 276 (granting expedited discovery of
 8 defendant's documents relating to plaintiff's infringement claims). In particular,
 9 DEI seeks targeted documents and testimony regarding the critical seventh
 10 *Sleekcraft* factor, defendant's intent in selecting the mark, which will weigh heavily
 11 in favor of DEI in a *Sleekcraft* analysis, thereby expediting necessary injunctive
 12 relief. *See Warner Bros. Entertainment*, 2012 WL 6951315, at *14.

13 Second, good cause exists for the requested discovery because DEI has
 14 alleged claims for trademark infringement and unfair competition, the scope of
 15 which can and should be determined early, particularly because of the imminent
 16 harm DEI will suffer when *FROZEN* is released in home entertainment formats on
 17 February 25 and March 18, 2014. Coleman Decl., ¶¶ 3-5. Here, expedited
 18 discovery will assist the Court in making that preliminary determination and will
 19 "substantially contribute to moving this case forward" without unnecessary delay.
 20 *See Semitool*, 208 F.R.D. at 276-77 (granting request for expedited discovery
 21 because plaintiff "made a clear showing that the narrow categories of documents
 22 and physical inspection of the device not otherwise accessible will substantially
 23 contribute to moving this case forward . . .") The requested discovery will also
 24 serve judicial economy, as it will abrogate the need for DEI to produce supplemental
 25 declarations and piecemeal support for the preliminary injunction it will seek,
 26 thereby conserving party and Court resources and expediting the litigation. *See id.*
 27 at 277.

28

1 Third, expedited discovery will not unduly prejudice Phase 4. The discovery
2 proposed by DEI in Appendixes A and B hereto is narrowly tailored to obtain the
3 necessary information, which is not otherwise accessible, to support DEI's motion
4 for injunctive relief. Specifically, DEI seeks targeted documents and testimony
5 from Phase 4 regarding (i) Defendants' knowledge of *FROZEN* and the *FROZEN*
6 marks before their decision to rename *The Legend of Sarila*, "*FROZEN LAND*," and
7 (ii) Defendants' intent to piggy-back off of DEI's significant marketing campaign
8 and trademarks for *FROZEN* by changing the name of their film and by adopting
9 designs that are virtually identical to DEI's marks as the artwork and logo for
10 *FROZEN LAND*.

11 These are limited subjects for which documents surely exist; a decision as
12 significant as changing the name and the logo for a newly-acquired film is not done
13 off-the-cuff and without documentation. Obtaining the requested discovery on an
14 expedited basis thus should not be difficult or burdensome for Phase 4, which need
15 only identify limited documents from seemingly few people involved in the relevant
16 acts and produce a single corporate designee for deposition. Moreover, the
17 expedited discovery will not prejudice Phase 4 because it will only require Phase 4
18 to produce documents and testimony earlier than under a standard schedule, not in
19 addition to what might normally be expected. Indeed, DEI would undoubtedly
20 receive the documents and testimony in the course of normal discovery in any event.
21 *See Semitool*, 208 F.R.D. at 276 (granting expedited discovery where defendant was
22 only required "to advance the propounding of discovery by approximately three
23 weeks").

24 Lastly, DEI has sought to give Phase 4 as much time as possible to return the
25 requested discovery. The document production requests are returnable on January 9
26 and the corporate deposition is noticed for January 14 so as to give Phase 4 as much
27 time as possible, yet still permit DEI to bring a preliminary injunction motion and
28 have it heard before *FROZEN* is released in home entertainment markets.

1 **V. CONCLUSION**

2 For the foregoing reasons, DEI respectfully requests that this Court order
3 Defendants to produce for inspection by January 9, 2014, the documents requested
4 on Appendix A hereto and, by January 14, 2014, a corporate designee pursuant to
5 FRCP 30(b)(6) to testify on the topics set forth on Appendix B hereto. A proposed
6 order has been filed concurrently herewith for the Court's convenience.

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9 Dated: December 23, 2013

Respectfully submitted,

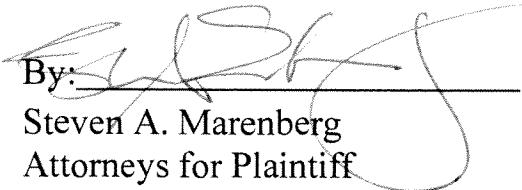
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